

## Arkansas Workforce Investment Board Issuance PY 04-04

**From: Sandra Winston, Director**

**Date: August 3, 2004**

**Re: Eligible Training Provider Policy Changes**

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1. **Purpose:** To transmit policies regarding changes to the State's Eligible Training Provider Policy in reference to training provider performance standards.
2. **Background:** Section 122 of WIA requires that training providers submit verifiable program specific information on the outcomes of all individuals and WIA participants who have attended the training program when applying for annual re-certification. Section 122 also stipulates that the information submitted must meet minimum levels set by the State. Many training providers, especially State supported schools, have found it difficult to collect this data and meet the State minimum levels. In many instances, one poor WIA performer has disqualified a program because of the small number of WIA participants served by the program. In other instances, a provider has met or exceeded minimum State levels in all but one category and is disqualified.

References: Workforce Investment Act of 1998, Public Law 105-220, Sec. 122. 20 CFR Part 652 et al., Part 663, Subpart E-Eligible Training Providers.

3. **Information:** In order to maintain an adequate number of training providers and programs on the Eligible Training Provider List changes to the State minimum levels of performance required for eligibility determination are being made.

The policy changes were published for public comment and no comments were received. The State Workforce Investment Board approved the policy changes at their Quarterly Meeting on July 13, 2004.

Please note: The Arkansas Consumer Report System (ACRS) will no longer screen Eligible Training Provider applications for minimum performance levels. Local Workforce Investment Board staff will be responsible for determining if the training provider has met the minimum levels of performance required.

4. **Action Required:** Please disseminate the attached information to the appropriate staff.
5. **For Additional Information:** If you have questions or need additional information, please contact Ron White at (501) 682-3121 or Belinda Hodges (501) 682-3118.
6. **Attachments:** Eligible Training Provider Policy and changes.
7. **Expiration:** Continuing.

# ARKANSAS WORKFORCE ELIGIBLE TRAINING PROVIDER POLICY AND PROCEDURES

- I. **Purpose.** To establish procedures for documentation requirements leading to approval of identified eligible training providers as prescribed under the Workforce Investment Act.

**References.** 1.) PL105-220, section 122, and section 136. 2.) 20 CFR 652 et al., Department of Labor/Employment and Training Administration manual dated August 11, 2000. 3.) Arkansas State Unified Plan Part II-E dated June 2000.

## II. Common Program Definitions

- A. **Initial Application of Eligibility:** An electronic application of a training program that has not been previously approved and has never appeared on the eligible training provider list will be considered for initial eligibility. The provider's application must be for a new or different combination of three factors: (1) Local Workforce Investment Area (2) Program (3) Training location.
- B. **Subsequent Application of Eligibility:** A re-occurring electronic application of a training program that has been previously approved, and appears or has appeared on the Eligible Training Provider List will be considered for subsequent eligibility. The provider's application must be for the **identical** combination of the three previously approved factors. They are: (1) Local Workforce Investment Area (2) Program (3) Training location. If any or all of these factors are different than previously approved, then the application will be considered **only** for initial eligibility and not in subsequent status.
- C. **Exempt Provider (Initial Certification):** For the purposes of initial certification, an exempt provider is (1) A post-secondary educational institution that is certified under Title IV of the Higher Education Act, and that provides a program certified under Title IV of the Higher Education Act leading to an associate degree, baccalaureate, or certificate, ***or*** (2) An entity that carries out programs under the National Apprenticeship Act.

- D. Non-Exempt Provider (Initial Certification):** For the purposes of initial certification, a non-exempt provider is any educational institution, board, or training entity that provides training, including programs at post-secondary institutions, that do not offer a degree or certificate; and are not eligible under Title IV of the Higher Education Act. This includes apprenticeship programs not registered under the National Apprenticeship Act.
- E. Certificate:** A document issued by an approved training provider to a program completer that serves to provide proof of training. The duration of the program might be less than two years, more than two years but less than a baccalaureate degree, or that required for a post-baccalaureate certificate.
- F. Diploma:** A high school diploma or General Education Diploma (GED).
- G. Degree:** An Associate, Baccalaureate, Masters, Specialist, Doctorial, or first Professional degree.
- H. Certification:** Certification credentials are documents issued by an accredited educational institution, board, or organization and contain written determinations that an individual demonstrates a mastery of a specific set of skills that may include national, state, or industry-recognized certification criteria.
- I. Licensure Documents:** Certified credentials issued by an accredited and approved training provider to a program completer that may lead to national or state recognized licenses.
- J. License:** Licenses required for participation in a specific career field or cluster.
- K. Skill:** Written documentation that demonstrates that an individual has attained a specific knowledge level. To obtain credit for a skill, the participant must have been enrolled in; and successfully completed an approved training program that does not provide a license, certificate or degree.
- L. Certificate of Competency:** A document of proof provided by an approved training provider that was awarded after successful completion of an approved course, sequence of courses or program.

**M. All Participants:** For purposes of calculations of performance measures required for a WIA eligible training provider, a participant is defined as: (1) For four-year programs, the number of students who were enrolled as juniors one year prior to the reporting period. (2) For three-year programs, the number of students who were enrolled as freshmen two years prior to the reporting period. (3) For two-year programs, the number of students who were enrolled as freshmen one year prior to the reporting period. (4) For one-year programs, the number of students who were enrolled during the reporting period. Students who complete one program and continue their education in another program should not be counted until they exit their training.

**N. WIA Participants:** A subgroup of all participants who are receiving assistance under WIA, Title I, Section 134 to participate in a program of study.

**NOTE:** The following procedures will be used to process initial eligibility applications for certification of training providers under the Workforce Investment Act. Different process procedures are used for filing of subsequent eligibility applications.

### **III. Initial Eligibility Certification Process**

#### **A. General Overview:**

To be initially eligible, providers must submit an electronic application to the Local Workforce Investment Board (LWIB) for the area where they wish to provide training services. A separate electronic application must be submitted for each training program. Also, if applying for a training program to be offered at different training locations, a separate electronic application is required for each training location. Each training program must be on the current **Guide to Educational Training Programs for Demand Occupations**.

The first step in determining the initial eligibility status of a training provider is to determine if the provider is exempt or non-exempt. The following definition is used to determine status:

##### **1. An exempt provider is:**

- a) A post-secondary educational institution that is eligible under Title IV of the Higher Education Act, and that provides a program leading to an associate degree, baccalaureate degree, or certificate; *or*
- b) An entity that carries out programs under the National Apprenticeship Act.

2. A non-exempt provider is:

Any educational institution, board, or training entity that provides training, including programs at post-secondary institutions that do not offer a degree or certificate; and are not eligible under Title IV of the Higher Education Act. This includes apprenticeship programs not registered under the National Apprenticeship Act.

- a) If a non-exempt provider has an established training program on the date of application, that non-exempt provider must submit the following performance data with their electronic application. This data includes:
  - (i). Program completion rates for all participants.
  - (ii). Employment rates for all participants.
  - (iii). Average wage at placement for all participants.
- b) If the non-exempt training provider does not have performance data because the training program is a new program, then the non-exempt provider must submit the following information to the LWIB of application to include:
  - (i). Written justification for the missing data, and
  - (ii). The process that will be used to track and record the required information for re-certification.

The Local Workforce Investment Board may choose to waive the performance documentation requirement in this situation. The Local Workforce Investment Board should submit in writing their intentions to do so to the Arkansas Workforce/LMI Section for processing of the application to continue.

**NOTE:** Training Providers that are classified as “EXEMPT” and are applying under the Initial Eligibility application procedures are not required to provide minimum performance standards to be included on the State Eligible Training Provider List.

**B. Performance Standards for Initial Eligibility:**

- 1. The basic performance standards used by non-exempt providers have two generic uses:
  - a) To be used by LWIBs as a guide in establishing performance requirements to qualify a non-exempt training provider for inclusion to the Local Workforce Investment Area’s eligible training provider list.
  - b) To identify minimum performance standards used with all programs that will be included on the State list.

2. The program statistics below utilize the three basic minimum Performance Standards used in conjunction with the definition of *all participants* (see section II, item M). The minimum standards are as follows:

- a) The program completion rate for all individuals participating in the applicable program conducted by the provider.

**To calculate:** The number of all participants who completed the program/course during the reporting period *divided by* the total number of all participants.

**Minimum State standard:** The overall Program Completion Rate for all participants who complete the program must be **19.5 percent**.

- b) The percentage of all individuals participating in the applicable program who obtain unsubsidized employment.

**To calculate:** The number of all participants who obtained unsubsidized employment during the reporting period *divided by* the total number of all participants.

**Minimum State standard:** The Employment Rate of all participants who have exited the program and obtained unsubsidized employment must be **68 percent**.

- c) The wages at entry into employment for all individuals participating in the applicable program.

**To calculate:** *Total* the hourly placement wage of all participants that obtained unsubsidized employment during the reporting period and *divide by* the number of all participants who obtained unsubsidized employment.

**Minimum State standard:** The participants who obtained unsubsidized employment must have an Average Wage at Entry of at least **\$6.59** per hour.

### **C. The Initial Eligibility Certification Process:**

1. All training providers will complete an online electronic application for “initial certification” through the automated Arkansas Consumer Report System located at **www.arkansascrs.org**. Providers must apply for each individual program. If multiple training locations exist, an application must be made for **each location**. Providers may make application to any, or all Local Workforce Investment Boards at the same time.
2. The Local Workforce Investment Board will receive the application via Internet file if (1) The program’s CIP Code appears on the current **Guide to Educational Training Programs for Demand Occupations** for the State or Local Workforce

Investment Area, and (2) Required items such as tuition and book cost are complete.

3. The Local Workforce Investment Board will electronically approve or disapprove each application received via the Internet. The Local Workforce Investment Board is responsible for ensuring that the provider's performance data meets or exceeds the State minimum levels.
4. Upon approval by the Local Workforce Investment Board, the provider will be automatically placed on the ACRS website as a WIA Eligible Training Provider for the applicable program.

#### IV. Subsequent Eligibility Certification Process

##### A. General Overview:

As defined in P. L. 105-220, section 122, all providers applying for subsequent eligibility must conform to the same procedures. Exempt and non-exempt providers will no longer be distinguished; therefore they are equally bound to report the same basic Performance Standards that were originally used by non-exempt providers only. However, additional Performance Standards are reported for WIA providers. The time period used to report performance data for eligibility periods beginning July 1, 2003 is July 1, 2001 through June 30, 2002.

Furthermore, to be considered for subsequent eligibility, providers must submit an electronic application for the identical combination of all three factors previously approved: (1) Local Workforce Investment Board (2) Program (3) Training location. If any or all of these factors are different, the application will be considered for initial eligibility. Each training program must be on the current **Guide to Educational Training Programs for Demand Occupations**.

##### B. Performance Standards Required for Subsequent Eligibility:

1. The following seven performance standards are to be used by all providers (exempt and non-exempt) for subsequent applications.

**NOTE** - The program statistics items a thru c utilize the definition of all participants (section II, item M).

- a) The program completion rate for all individuals participating in the applicable program conducted by the provider.

**To calculate:** The number of all participants who completed the program/course during the reporting period *divided by* the total number of all participants.

**Minimum State standard:** The overall Program Completion Rate for all participants who complete the program must be **19.5 percent**.

- b) The percentage of **all** individuals participating in the applicable program who obtain unsubsidized employment.

**To calculate:** The number of all participants who obtained unsubsidized employment during the reporting year *divided by* the total number of all participants.

**Minimum State standard:** The Employment Rate of all must be **68 percent**.

- c) The wages at entry into employment for **all** individuals participating in the applicable program.

**To calculate:** *Total* the hourly placement wage of all participants that obtained unsubsidized employment during the reporting period and *divide by* the number of **all** participants who obtained unsubsidized employment.

**Minimum State standard:** The participants who obtained unsubsidized employment must have an entry wage of at least **\$6.59** per hour.

**NOTE -** The program statistics items d thru g utilize the definition of **WIA participants** (section II, item N).

- d) The percentage of **WIA** participants who have completed the applicable program and who obtain unsubsidized employment

**To calculate:** The number of WIA participants who completed the program/course and who obtain unsubsidized employment *divided by* the total number of WIA participants.

**Minimum State standard:** The completion/employment rate of WIA participants must be **50 percent**.

- e) The retention rates in unsubsidized employment of **WIA** participants who have completed the applicable program, 6 months after the first day of their employment.

**To calculate:** The number of WIA participants who were engaged in unsubsidized employment 6 months after their first day of employment *divided by* the total number of WIA participants employed.

**Minimum State standard:** The retention rate of WIA participants must be **70 percent**.

- f) The wages received by **WIA** participants who have completed the applicable program, 6 months after the first day of the employment involved.



**To calculate:** *Total* the hourly placement wage of WIA participants who have completed the applicable program, 6 months after the first day of their employment *divided by* the number of these WIA participants.

**Minimum State standard:** The WIA participants who graduated, obtained employment, and retained employment must have an entry-retained wage of at least **\$6.59** per hour.

- g) Where appropriate, the rates of licensure or certification, attainment of academic degrees or equivalents, or attainment of other measures of skills of the **WIA** participant graduates of the applicable program.

**To calculate:**

- (i). **Licensure rate:**  
The number of WIA participants who completed a program and received a licensure *divided by* the total number of WIA participants who completed a program for which a license was required for employment.

**Minimum State Standard: 80 percent.**

- (ii). **Certification rate:**  
The number of WIA participants who completed a program and received a certification *divided by* the total number of WIA participants who completed a program for which a certification was required for employment.

**Minimum State Standard: 70 percent.**

- (iii). **Degree rate:**  
The number of WIA participants who completed the program and received a degree *divided by* the total number of WIA participants who were seeking that degree.

**Minimum State Standard: 50 percent.**

- (iv). **Skill attainment rate:**  
The number of WIA participants who completed a program for which a certificate was given *divided by* the total number of WIA participants seeking that certificate.

**Minimum State Standard: 50 percent.**

**C. The Subsequent Eligibility Certification Process:**

1. All training providers with a record of an initial approval of a program will complete an online application for “subsequent certification” through the automated ACRS located at [www.arkansasacrs.org](http://www.arkansasacrs.org).
2. The Local Workforce Investment Board will receive the application via Internet file if (1) The program’s CIP Code appears on the current **Guide to Educational Training Programs for Demand Occupations** for the State or Local Workforce Investment Area, and (2) Required items such as tuition and book cost are complete.
3. The Local Workforce Investment Board will approve or disapprove each electronic application received via the Internet. The Local Workforce Investment Board is responsible for ensuring that the provider’s performance data meets or exceeds the State minimum levels.
4. Upon approval by the Local Workforce Investment Board, the provider will be automatically placed on the ACRS website as a WIA Eligible Training Provider for the applicable program.

**NOTE:** Be it known: In accordance with the Federal Register, 20 CFR Part 652 et al., Workforce Investment Act; Final Rules, §663.510, the Local Boards have the authority to increase the levels of performance required by the State, and require additional verifiable program-specific information from local providers to maintain subsequent eligibility. All questions concerning certification will be addressed to, and answered by the respective LWIBs.

## ELIGIBLE TRAINING PROVIDER POLICY REGARDING STATE MINIMUM PERFORMANCE STANDARDS FOR TRAINING PROVIDERS

**Change #1:** Training providers will be required to meet or exceed State minimum levels for at least **two** of the **three** *All Participant* performance measures. The three *All Participant* performance measures are:

1. The program completion rate for all individuals participating in the applicable program conducted by the provider. (State minimum requirement - 19.5%)
2. The percentage of all individuals participating in the applicable program who obtain unsubsidized employment. (State minimum level requirement - 68%)
3. The wages at entry into employment for all individuals participating in the applicable program. (State minimum level requirement - \$6.59/hr)

**Change #2:** Training providers will be required to meet or exceed State minimum levels for at least **two** of the **four** *WIA Participant* performance measures that are required for all programs. The four *WIA Participant* performance measures are:

1. The percentage of WIA participants who have completed the applicable program and who obtain unsubsidized employment. (State minimum requirement - 50%)
2. The retention rates in unsubsidized employment of WIA participants who have completed the applicable program, 6 months after the first day of their employment. (State minimum requirement - 70%)
3. The wages received by WIA participants who have completed the applicable program, 6 months after the first day of the employment involved. (State minimum requirement – \$6.59/hr)
4. The rate of attainment of academic degrees or equivalents, or attainment of other measures of skills of the WIA participant graduates of the applicable program. (State minimum requirement - 50%)

The following *WIA Participant* performance measures are not required for all programs. Training providers will be required to report their data where appropriate.

1. Where appropriate, the rate of licensure of the WIA participant graduates of the applicable program. (State minimum requirement - 80%)
2. Where appropriate, the rate of certification of the WIA participant graduates of the applicable program. (State minimum requirement - 70%)

<i>Performance Measure</i>	<i>Calculation</i>	<i>State Minimum Level</i>
<p align="center"><b>ALL PARTICIPANT PERFORMANCE MEASURES</b></p> <p align="center">All programs must meet the State minimum levels for at least <b>two</b> of the <b>three</b> all participant performance measures.</p>		
1. Completion Rate	The number of all participants who completed the program during the reporting period divided by the total number of all participants.	19.5%
2. Employment Rate	The number of all participants who obtained unsubsidized employment during the reporting period divided by the total number of all participants.	68%
3. Average Hourly Rate	Total the hourly placement wage of all participants that obtained unsubsidized employment during the reporting period and divide by the number of all participants who obtained unsubsidized employment.	\$6.59

### WIA PARTICIPANT PERFORMANCE MEASURES

All programs must meet the State minimum levels for at least two of the four required WIA participant performance measures.

1. Completion/Employment Rate	The number of WIA participants who completed the program and who obtained unsubsidized employment divided by the total number of WIA participants.	50%
2. Six-Month Retention Rate	The number of WIA participants who were engaged in unsubsidized employment 6 months after their first day of employment divided by the total number of WIA participants employed.	70%
3. Six-Month Hourly Earnings	Total the hourly placement wage of WIA participants who have completed the applicable program, 6 months after the first day of their employment and divide by the number of these WIA participants.	\$6.59
4. Degree Rate  or  Other Skill Rate	The number of WIA participants who completed the program and received a degree divided by the number of WIA participants who were seeking that degree.  The number of WIA participants who completed the program for which a certificate was given divided by the number of WIA participants seeking that certificate.	50%
<i>Where Appropriate-Not required for all programs</i>  Licensee Rate	The number of WIA participants who completed the program and received a licensure divided by the number of WIA participants who completed the program for which a license was required for employment.	80%
<i>Where Appropriate-Not required for all programs</i>  Certification Rate	The number of WIA participants who completed the program and received a certification divided by the number of WIA participants who completed the program for which a certification was required for employment.	70%